

QUESTIONS & ANSWERS

LEGISLATIVE RESEARCH COMMISSION (LRC) ENERGY POLICY ISSUES

COMMITTEE MEETING

January 18, 2012

**Mr. James E. Erb, P.E., Former Director of the Pennsylvania Bureau
of Oil and Gas Management**

Senator Goolsby: Mr. Chairman, I would just like to make a couple of comments. First, I really appreciate your suggestion, sir. I noted them all down, all seven of them, in particular, making sure that we talk to all the groups that are involved in this. I see natural gas as a clean energy, and I hope as we talk to environmental groups as well as industry people that we will continue to be cognizant of the needs of everybody. I am excited about natural gas, in fact, Senator Rabon and I share the Sutton Power Plant down in Wilmington that the energy industry is making a sizable investment to convert over to natural gas from coal right now. So, we are definitely going to be impacted by that and across the state. Also, I noted your comment about don't reinvent the wheel. I think that is what some of us were concerned about. It seems like we were getting really overboard in trying to reinvent the wheel where all these other states have dealt with these issues for many, many years, and there is a lot of science that has settled on this and there are a lot of good development schemes we can come up with. Being an attorney I am used to uniform regulatory acts and it looks like we have got a lot of those that exist out there and things we can draw from to make sure as we develop our law, we do it with the most up to date law, the most up to date technology and most up to date regulations so that we can protect our environment and at the same time reap some of these benefits that we did not hear from our Department of Commerce but it was nice for you to bring them up. \$926 per year going into the pockets of consumers as far as savings goes, that's a sizable pay raise for a lot of North Carolinians with a 20% unemployment, additionally as our Department of Commerce continue to point out, North Carolina experiencing boom and bust cycles if external economic factors make production favorable in North Carolina, and as regional economy diverts economic inputs in industry booms and busts, I was very excited when you told me about that website, which I went to. It actually states here that \$600 billion in royalties are being paid from that shale deposit to the citizens of that area, in addition to something like 100,000 jobs. The numbers were just staggering that we see from what this industry can offer to us, and I was just excited to find out there are places where we can find that information and thank you for sharing that with us very much.

Senator Walters: I just wanted to say and echo some things that Senator Goolsby and Rabon and Senator Blake have said in the past. I think we are at the crossroads in North Carolina where we have to decide—we all

know we like natural gas, we have to decide we like North Carolina's natural gas and I think that is where we are at today. Sir, you make a comment about—can you be an environmentalist? In the commercial use of natural gas, I think we can. I think we can work in harmony and I think that is what the community's task is all about is to try to find that balance that we can move forward and take advantage of the resources that we have in North Carolina, and we can be competitive in global economy and thank you for your comments.